



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 9/30/2002

GAIN Report #JO2004

Jordan

Grain and Feed

Annual

2002

Approved by:

**Asif Chaudhry, Agricultural Counselor, U.S. Embassy, Cairo
U.S. Embassy**

Prepared by:

Hala Y. Khoury, Agricultural Specialist, U.S. Embassy, Amman

Report Highlights:

In MY 2001/2002, the U.S. supplied 77 percent of Jordan's wheat imports. USDA programs - GSM-102 and 416(b) were important tools for these purchases. Barley imports totaled 380,000 tons, but none was purchased from the U.S. due to high price. Jordan's corn imports totaled 446,000 tons, 6 percent of U.S. origin. Rice imports in 2002 are estimated at 104,000 tons including 20,000 tons from the U.S.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1], JO

Table of Contents	1
Wheat	2
PSD Table	2
Production/Consumption	2
Trade	2
Wheat Import Table	3
Barley	4
PSD Table	4
Production/Consumption	4
Trade	4
Barley Import Trade	5
Corn	6
PSD Table	6
Production/Consumption	6
Trade	6
Corn Import Table	7
Rice	8
PSD Table	8
Production/Consumption	8
Trade	8
Rice Import Table	9
Production and Price Policy	10
Market Development	10

Wheat**PSD Table**

PSD Table							
Country:	Jordan						
Commodity:	Wheat						
	Revised	2000	Preliminary	2001	Forecast	2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/2000		07/2001		07/2002	(MONTH/YEAR)
Area Harvested	28	27	28	54	28	60	(1000 Hectares)
Beginning Stocks	50	148	50	54	100	120	(1000 MT)
Production	19	24	15	66	15	50	(1000 MT)
TOTAL Mkt. Yr. Imports	650	542	800	660	800	658	(1000 MT)
Jul-Jun Imports	650	542	800	660	800	658	(1000 MT)
Jul-Jun Import U.S.	436	442	0	508	0	400	(1000 MT)
TOTAL SUPPLY	719	714	865	780	915	828	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	0	60	0	60	0	60	(1000 MT)
TOTAL Dom. Consumption	669	660	765	660	765	660	(1000 MT)
Ending Stocks	50	54	100	120	150	168	(1000 MT)
TOTAL DISTRIBUTION	719	714	865	780	915	828	(1000 MT)

Production/Consumption

Due to favorable weather conditions during the 2001/2002 rainfall season, wheat production is estimated at 66,000 metric tons up from 24,000 metric tons in 2000/2001. Wheat consumption is estimated at 600,000 metric tons annually.

Trade

Wheat imports during MY2001/2002 totaled 660,000 tons compared to 542,000 tons during MY2000/2001. The United States supplied 508,419 metric tons (77 percent of total imports). USDA programs - GSM 102 and 416(b) - were important tools for these purchases since the prices of U.S. wheat were higher than those from Argentina and other sources.

Imports of wheat during MY2002/2003 from the United States are forecast to be around 400,000 tons. U.S. wheat exports to Jordan are expected to decline by 21 percent this marketing year due to high U.S. prices relative to other origins. However, Jordan is not expected to be in the market for new purchases until February 2003 since 200,000 tons of wheat from the United States under (416(b)) will be shipped before the end of this year and early in 2003. Also, Jordan recently purchased and received 50,000 tons of Australian wheat.

Wheat Import Table

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	JULY/JUNE		
Imports for	2001		2002
U.S.	508	U.S.	400
Others		Others	
Argentina	148	Argentina	100
France	4	Australia	50
		Kazakhstan	100
		France	8
Total for Others	152		258
Others not listed			
Grand Total	660		658

Barley

PSD Table

PSD Table							
Country:	Jordan						
Commodity:	Barley						
	Revised	2000	Preliminary	2001	Forecast	2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/2000		07/2001		07/2002	(MONTH/YEAR)
Area Harvested	33	25	30	64	30	70	(1000 Hectares)
Beginning Stocks	65	283	13	273	33	233	(1000 MT)
Production	16	24	20	60	20	65	(1000 MT)
TOTAL Mkt. Yr. Imports	257	506	600	380	600	350	(1000 MT)
Oct-Sep Imports	257	506	600	380	600	350	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	338	813	633	713	653	648	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	325	540	600	480	600	480	(1000 MT)
TOTAL Dom. Consumption	325	540	600	480	600	480	(1000 MT)
Ending Stocks	13	273	33	233	53	168	(1000 MT)
TOTAL DISTRIBUTION	338	813	633	713	653	648	(1000 MT)

Production/Consumption

Jordan's barley production during MY 2001/2002 is projected at 60,000 metric tons, up from 24,000 metric tons in 2000/2001. Domestic barley consumption is about 40,000 metric tons monthly. Favorable weather conditions during MY 2001/2002 rainfall season resulted in much improved natural ranges and reduced consumption of imported barley by 10,000 metric tons. Barley is mainly used for cattle and sheep and sometimes for poultry feed.

Trade

Barley imports during 2001/2002 totaled 380,000 metric tons, Iraq was the major supplier shipping 270,000 metric tons or 71% of total imports. Jordan's imports of barley during MY2002/2003 are expected to be nearly the same as 2001/2002. Iraq is expected to remain as the major supplier. Japan donated around 64,317 tons of barley to Jordan, which were supplied from Ukraine. Since 1999, the GOJ has been the sole importer of barley and sets the price of barley for the livestock producers at JD70/ton during the current year.

Presently, the private sector companies are negotiating with the Government to buy their stocks and start importing barley themselves.

Barley Import Trade

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	JULY/JUN		
Imports for	2001		2002
U.S.	0	U.S.	0
Others		Others	
Ukraine	110	Ukraine	50
Iraq	270	Iraq	300
Total for Others	380		350
Others not listed			
Grand Total	380		350

Corn**PSD Table**

PSD Table							
Country:	Jordan						
Commodity:	Corn						
	Revised	2000	Preliminary	2001	Forecast	2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2000		10/2001		10/2002	(MONTH/YEAR)
Area Harvested	0	0	0	0	0	0	(1000 Hectares)
Beginning Stocks	0	55	0	86	0	112	(1000 MT)
Production	1	0	1	0	1	0	(1000 MT)
TOTAL Mkt. Yr. Imports	454	451	350	446	350	450	(1000 MT)
Oct-Sep Imports	454	451	350	446	350	450	(1000 MT)
Oct-Sep Import U.S.	0	25	0	25	0	25	(1000 MT)
TOTAL SUPPLY	455	506	351	532	351	562	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	404	420	300	420	300	450	(1000 MT)
TOTAL Dom. Consumption	455	420	351	420	351	450	(1000 MT)
Ending Stocks	0	86	0	112	0	112	(1000 MT)
TOTAL DISTRIBUTION	455	506	351	532	351	562	(1000 MT)

Production/Consumption

Jordan's locally produced corn is MOSTLY used as corn-on-the cob for human consumption. Corn consumption is around 35,000 metric tons, mainly used for poultry.

Trade

Corn imports during MY2001/2002 are estimated at 446,000 metric tons of which 6 percent were from the United States. Argentina is the major supplier supplying 390,000 metric tons or 87 percent of total imports. Argentina will continue to be the main competitor for U.S. for both quality and price. Jordanian farmers/traders complain that the percentage of broken kernels and dust in the US corn shipment is higher than Argentinian corn. They also perceive Argentinian corn as having a hard gelatine coat that prevents breaking. Recently, the U.S. Grain Council sponsored three seminars in Jordan to educate users/poultry farmers on the uses of U.S. yellow corn in poultry feed formulation and its specifications and storing practices. The seminars were attended by around 400 farmers. Also, according to traders/importers, there is a price advantage for the Argentinian corn since mixed shipments are bought by some importers - a mixture of soybean and corn. Although according to the Free Trade Agreement signed between Jordan and the U.S., imports of American corn and soybean meal no longer pay the 5.2 percent Jordanian import tariff, importers report that a price gap in favor of Argentina still remains for corn and soybean meal. Corn is imported freely

by Jordanian private sector companies.

Corn Import Table

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	OCT/SEPT		
Imports for	2001		2002
U.S.	25	U.S.	25
Others		Others	
ARGENTINA	390	ARGENTINA	425
ROMANIA	31		
Total for Others	421		425
Others not listed			
Grand Total	446		450

Rice**PSD Table**

PSD Table							
Country:	Jordan						
Commodity:	Rice, Milled						
	Revised	2000	Preliminary	2001	Forecast	2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		01/2000		01/2001		01/2002	(MONTH/YEAR)
Area Harvested	0	0	0	0	0	0	(1000 Hectares)
Beginning Stocks	45	55	30	54	15	66	(1000 MT)
Milled Production	0	0	0	0	0	0	(1000 MT)
Rough Production	0	0	0	0	0	0	(1000 MT)
Milling Rate(.9999)	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	90	99	90	112	90	104	(1000 MT)
Jan-Dec Imports	90	99	90	112	90	104	(1000 MT)
Jan-Dec Import U.S.	18	23	0	15	0	20	(1000 MT)
TOTAL SUPPLY	135	154	120	166	105	170	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	105	100	105	100	90	100	(1000 MT)
Ending Stocks	30	54	15	66	15	70	(1000 MT)

Production/Consumption

Jordan does not produce rice. Rice consumption is around 100,000 tons of medium and long grain annually, 90 percent of which is medium grain.

Trade

Imports in 2001 were 112,000 metric tons, 15,000 of which came from the United States. Total rice imports during 2002 are forecasted at 104,00 metric tons. The U.S. is expected to supply only 20,000 metric tons. Competition for medium grain rice is tough between the U.S., Australia and Egypt. The Egyptian rice is imported bagged and in small ships. The Australian rice is imported in bulk and bagged. The U.S. rice is imported in bulk and is bagged in Jordan. Imports of consumer packaged parboiled long grain and basmati rice during 2002 are expected to amount to 10,000 tons. The U.S. long grain rice exports face strong competition from Thailand. Rice is imported freely by Jordanian private sector companies.

Rice Import Table

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	JAN-DEC		
Imports for	2001		2002
U.S.	15	U.S.	20
Others		Others	
EGYPT	31	EGYPT	25
AUSTRALIA	43	AUSTRALIA	40
THAILAND	9	ITALY	5
SPAIN	4	SPAIN	5
ITALY	5	THAILAND	5
Total for Others	92		80
Others not listed	5		4
Grand Total	112		104

Production and Price Policy

Following four years of severe drought which badly affected winter and summer crops, the 2001/2002 rainfall season was characterized by favorable rains that were well distributed over the various regions of the country. This improved productivity of winter crops mainly wheat and barley. The GOJ continues to import wheat and barley and fixes prices for wheat sold to millers, flour sold by millers to bakers. The Government also fixes retail price of two types of bread known as unified and baladi bread. The two types of bread account for 90 percent of Jordan's wheat consumption. Recently the GOJ raised the price of wheat to millers by JD 9/ton i.e from JD91.450/tons to JD100.230/ton and the price of flour from JD113.00/tons to JD 124.300/ton. This step was taken by the GOJ to reduce the amount of subsidy paid to the bread. The GOJ continues to subsidize the sale of barley to the farmers.

In addition, the GOJ continued its grain subsidy policy whereby it encourages the farmers to plant wheat and barley and purchases these crops at higher than market support prices which are announced every year prior to the planting season. This year, GOJ purchased from the farmers 45,700 tons of wheat at JD165/ton and 32,800 tons of barley at JD 98/ton.

Market Development

Jordan will continue to import most of its wheat and barley needs and all of its corn and rice requirements. The United States is expected to continue to dominate the wheat market by facilitating its sales through GSM Credit Guarantees and other assistance programs. Financing will continue to be a crucial factor in Jordan's purchasing decision because of Jordan's limited foreign exchange and budgetary structure.

U.S. Department of Agriculture Development Cooperators - U.S. Wheat Associates, U.S. Grains Council and the U.S. Rice Council provide valuable technical in-country assistance and trade service programs as well as training for Jordanians inside and outside Jordan.